

Chairman Vap called the regularly scheduled meeting to order at 10:02 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, Landis and Vap present.

GENERAL ADMINISTRATION

Notice was duly published June 24, 2004, on Page 7 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held June 29, 2004, at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

COMMUNICATIONS DEPARTMENT

FC-1318 In the Matter of All American Insurance Inc., Lincoln, versus Alltel Communications, alleging a billing error: Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to enter an order to dismiss the docket. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

C-2940 In the Matter of the Commission, on its own motion, seeking to determine whether the retail service quality provided by Alltel is adequate: Gene Hand informed the Commission that Alltel's monthly service quality report for the month of May, 2004, had been received. The Commission's Operational Audit of Alltel's Retail Quality of Service Measurement Standards was filed on June 25, 2004. Based on the audit report and monthly service quality reports, the staff recommended that Alltel be relieved of its reporting requirements and the docket be closed.

C-3025 In the Matter of the Commission, on its own motion, seeking to conduct a 90-day proceeding as contemplated by the Federal Communications Commission in its Triennial Review order adopting new rules for network unbundling obligations: Gene Hand discussed the status of the docket.

C-3026 In the Matter of the Commission, on its own motion, seeking to conduct a 9-month proceeding as contemplated by the Federal Communications Commission in its Triennial Review order adopting new rules for network unbundling obligations: Gene Hand informed the Commission that Objections to Anticipated Commission Action to close the docket had been received from AT&T. Upon agreement of all Commissioners, the docket will remain open.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3151 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Special Promotion Amendment for Available Inventory Collation Sites with Sprint Communications Company, L.P., Overland Park, Kansas, previously granted in Docket C-1836: Motion made by Commissioner Rod Johnson, seconded by Commissioner Lowell Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

C-3210 In the Matter of United Telephone Company of the West, d/b/a Sprint, Overland Park, Kansas, seeking approval of its Master Interconnection, Collation and Resale Agreement with 1-800-Reconex, Inc., d/b/a US Tel, Hubbard, Oregon: Motion made by Commissioner Rod Johnson, seconded by Commissioner Lowell Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

C-3211 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Triennial Review Order Amendment with ICG Telecom Group, Inc., Englewood, Colorado, previously granted in Docket C-2735: Motion made by Commissioner Rod Johnson, seconded by Commissioner Lowell Johnson, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

Gene Hand informed the Commission that the Telecommunications Relay Advisory Committee had recommended that a contract for Telecommunications Relay Service be amended to include CapTel (Captioned Telephone) commencing on October 1, 2004. Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to approve the proposed CapTel addendum. Gene Hand and Steve Stovall discussed the CapTel Services and the status of the Telecommunications Relay Service budget. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

Gene Hand discussed the Forbearance Petition that Qwest has filed with the Federal Communications Commission.

Gene Hand informed the Commission that a notification had been received that Z-Tel Communications would stop taking orders for new residential service in Nebraska and would grandfather their existing residential service offerings due to developments in USTA v. FCC II. Discussion was held regarding information that AT&T is also suspending marketing of services.

UNIVERSAL SERVICE FUND

NUSF-26 In the Matter of the Commission, on its own motion, seeking to establish a long-term universal service funding mechanism: Motion made by Commissioner Frank Landis, seconded by Commissioner Lowell Johnson, to approve the order proposing a permanent methodology for high cost reimbursement to eligible telecommunications companies and to schedule a hearing for August 25, 26, and 27, 2004, at 9:00 a.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

NUSF-37.10 In the Matter of Jeffrey L. Pursley, Director, Nebraska Universal Service Fund Department, Nebraska Public Service Commission, Complainant, vs. Global Tel*Link Corporation, Respondent: Motion made by Commissioner Anne Boyle, seconded by Commissioner Rod Johnson, to enter an order dismissing the complaint. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

Jeff Pursley presented the Commission with a Summary of the Lifeline/Link-up Order released by the Federal Communications Commission (FCC) on June 22, 2004.

NATURAL GAS DEPARTMENT

NG-0001 In the Matter of Aquila, Inc., d/b/a Aquila Networks
NG-0002 (Aquila), Omaha, seeking a general rate increase for
NG-0003 Aquila's Rate Area One, Rate Area Two and Rate Area
Three: Motion made by Commissioner Frank Landis, seconded
by Commissioner Lowell Johnson, to enter an assessment order for
GDS-008. Motion passed with Commissioners Anne Boyle, Lowell Johnson,
Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

GRAIN WAREHOUSE DEPARTMENT

The following shortages were discussed:

GW-306 Corn at Geneva Milling Co., Inc., Geneva.
GW-371 Soybeans at Prinz Grain & Feed, Inc., West Point.
GW-462 Corn at Countryside Cooperative, Firth.

GW-2119 In the Matter of M.G. Waldbaum Company dba Wayne Grain
& Feed, Wakefield (Michael Foods): An order was entered to
grant a warehouse license with a waiver of the Commission's net worth
requirements.

GW-2135 In the Matter of Capitol Indemnity Corporation seeking
cancellation of its Continuous Grain Warehouse Bond No.
738337 in the amount of \$162,400.00, issued on behalf of Wilhelm
Grain, Inc., Humboldt: Application was granted effective June 26,
2004.

GRAIN WAREHOUSE DEPARTMENT (Cont.)

GW-2141 In the Matter of Pender Grain, Inc., Pender: Mike Bartels informed the Commission that Pender Grain had not filed their financial statement as of June 29, 2004. Mike will check on the timeline for filing the statement.

TRANSPORTATION DEPARTMENT

M-14154 In the Matter of City Delivery and Moving, Inc., Columbus, seeking approval to transfer stock ownership from Gregg Pagel to Craig Schneider and Shannon Schneider: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to grant the stock transfer application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

Rate Division

TR-132 In the Matter of the Commission, on its own motion, seeking to grant temporary authority to Dan Deveney, Safeway Cabs, to unseal and seal meters to change waiting time rates: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle, to grant the application for temporary authority. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was retained at 22 cents per mile and the taxi surcharge at 40 cents per trip.

GENERAL ADMINISTRATION

Commissioner Lowell Johnson moved, seconded by Commissioner Anne Boyle, to approve the following invoices: Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

DAS - Communications	\$ 2,912.39
Larry Fauss	800.00
Kelly Services	817.08
Gerald Vap	705.04

Upon agreement of all Commissioners, authorization was granted for Tim Sandusky to travel to Overland Park, Kansas, from July 19-22, 2004, to attend a Regional Track Workshop sponsored by the Federal Railroad Administration (FRA).

GENERAL ADMINISTRATION (Cont.)

Upon agreement of all Commissioners, authorization was granted for Robert Bowman to travel to Clay Center, Kansas, on June 30, 2004, to perform a modular housing unit factory inspection of Wardcraft Homes with all expenses, including time, to be reimbursed to the Commission by Wardcraft Homes.

Upon agreement of all Commissioners present, authorization was granted for Mark Luttich and Steve Rowell to travel to Council Bluffs, Iowa, on July 23, 2004, to attend a training seminar sponsored by the International Residential Code (IRC) with all expenses to be paid from the Modular Housing Unit Program.

The Commission discussed budget matters.

The Commission discussed implementation of a Commission Policy Manual.

Commissioner Lowell Johnson moved, seconded by Commissioner Anne Boyle, to approve the staff proposal for deliberations and orders. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE.

Commissioner Rod Johnson exited the Commission Hearing Room.

Commissioner Frank Landis moved, seconded by Commissioner Anne Boyle, to approve revised filing fees effective July 1, 2004. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis, and Jerry Vap voting AYE and Commissioner Rod Johnson Excused, Not Voting.

Commissioner Anne Boyle moved, seconded by Commissioner Frank Landis, that the Commission go into closed session to discuss personnel and litigation issues. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Frank Landis, and Jerry Vap voting AYE and Commissioner Rod Johnson Excused, Not Voting. The Commission went into closed session at 11:05 a.m.

Commissioner Landis exited the Commission Hearing Room near the end of closed session. Commissioner Rod Johnson returned to the Commission Hearing Room during closed session.

Commissioner Anne Boyle moved, seconded by Commissioner Lowell Johnson, that the Commission return to open session. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE and Commissioner Frank Landis Excused Not Voting. The Commission returned to open session at 11:45 a.m.

GENERAL ADMINISTRATION (Cont.)

Commissioner Rod Johnson moved, seconded by Commissioner Anne Boyle, to grant Jeff Pursley authority to negotiate a settlement with K&M Telephone regarding Universal Service Fund payments. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, and Jerry Vap voting AYE, and Commissioner Frank Landis Excused, Not Voting.

The meeting adjourned at 11:48 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, and Vap present, and Commissioner Landis excused. The next regularly scheduled meeting will be held on July 7, 2004, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on July 6, 2004.

Chairman

Executive Director